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FSC-41-A	2/21/97	
SUBJECT: February Direct Mail Promotions		
DISTRIBUTION:		
<input checked="" type="checkbox"/> AVP	<input checked="" type="checkbox"/> KAM	DM
<input checked="" type="checkbox"/> RSM	<input checked="" type="checkbox"/> AM	RM
<input checked="" type="checkbox"/> RBM	<input checked="" type="checkbox"/> AE	SALES REP
<input checked="" type="checkbox"/> ROM		RETAIL REP

During the last week in February, WINSTON and SALEM will mail coupon offers designed to generate volume and trial and to protect our brands in light of quarter-end competitive activity. Specifics of the offers are as follows:

1. WINSTON will mail \$3 off 4 packs or a carton coupons to competitive prospects and to competitive smokers who have responded to previous coupons. Three \$3 off 4 packs or a carton coupons will be mailed to competitive responders and two \$3 off 4 packs or a carton coupons will be mailed to competitive prospects.
2. SALEM will mail four \$2 off 4 packs or a carton coupons to franchise smokers and four \$3.00 off 4 packs or a carton coupons to competitive smokers who have responded to previous coupons.

In order to maximize effectiveness of this coupon drop which should be felt in retail outlets the first and second weeks of March, you should ensure that our retail outlets maintain proper inventory levels of WINSTON and SALEM so that out-of-stock conditions are not created. Where opportunities exist, supplement existing inventories with plus outs or prebook orders.

Attached are regional summaries on quantities of mailings for WINSTON and SALEM.

Important Note Regarding WINSTON: It is critical that we do not build inventory on WINSTON to unreasonable levels. We must balance the opportunity to sell additional WINSTON as a result of this coupon drop against creating excess inventory levels. Any additional orders should focus on WINSTON King, WINSTON 100, WINSTON Lights, and/or WINSTON 100 Lights styles. Additional orders against SELECT styles or other Base WINSTON styles should take place only where a business opportunity exists and overstocks will not occur.

Program Contacts: Dick Luongo, WINSTON, extension #6110
 Floyd Cook, SALEM, extension #3466

R. J. REYNOLDS TOBACCO COMPANY

51861 5004

WINSTON 1ST QTR 1997 VOLUME PROGRAM

<u>Area/Region</u>	<u>Division</u>	<u>Div. Code</u>	<u>WINSTON Prior Responders*</u>	<u>WINSTON Other Competitive*</u>	<u>TOTAL PROGRAM</u>
<u>NORTH EAST SALES AREA</u>					
<i>Boston</i> (1100)	Portland	1122	2,617	14,604	17,221
	N. Boston	1126	4,121	12,182	16,303
	S. Boston	1128	4,028	15,096	19,124
	New Bedford	1130	3,216	12,579	15,795
	Hartford	1131	4,782	18,878	23,660
	Total		18,764	73,339	92,103
<i>New York</i> (1200)	Jersey City	1221	1,547	10,030	11,577
	Yonkers	1222	1,837	9,769	11,606
	Nassau	1223	2,987	14,994	17,981
	Manhattan	1224	238	3,092	3,330
	Brooklyn	1225	1,138	10,193	11,331
	North Jersey	1226	1,860	11,594	13,454
	Queens	1229	2,108	12,636	14,744
	Total		11,715	72,308	84,023
<i>Philadelphia</i> (1300)	Baltimore	1322	3,282	13,945	17,227
	Philadelphia	1326	3,650	17,686	21,336
	Cen. Jersey	1330	3,089	18,759	21,848
	No. Philadel.	1332	5,462	21,561	27,023
	So. Jersey	1334	5,190	23,979	29,169
	Total		20,673	95,930	116,603
<i>Buffalo</i> (1600)	Syracuse	1622	9,672	32,727	42,399
	Albany	1623	3,805	19,170	22,975
	Buffalo	1626	10,309	29,262	39,571
	Nashua	1638	2,928	11,231	14,159
	Total		26,714	92,390	119,104
<i>Pittsburgh</i> (1700)	Canton	1729	8,281	23,231	31,512
	No. Pittsburgh	1730	8,794	22,258	31,052
	So. Pittsburgh	1732	6,756	19,960	26,716
	Cleveland	1733	6,293	14,433	20,726
	Harrisburg	1738	9,087	28,645	37,732
	Total		39,211	108,527	147,738
<i>Cincinnati</i> (1800)	Columbus	1824	7,737	23,032	30,769
	Cincinnati	1828	7,525	18,394	25,919
	Lexington	1834	5,585	16,206	21,791
	Louisville	1837	5,965	22,729	28,694
	Indianapolis	1838	8,272	31,552	39,824
	Total		35,084	111,913	146,997
<u>TOTAL NORTH EAST SALES AREA</u>			152,161	554,407	706,568

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NESA - WINSTON

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SALEM Competitive Franchise Smokers (as of 2-9-97)

SALEM Q1 Volume Mailing

Group: SALEM Franchise
Offer: 4-\$2.00/4 pkgs or ctn cpns

SALEM Q1 Volume Mailing

Group: SALEM Competitive
Offer: 4-\$3.00/4 pkgs or ctn cpns

Region	Division	Div. Code	Program Quantity	Program Quantity	TOTAL BOTH PROGRAMS
Boston (1100)	Portland	1122	1,917	2,268	4,185
	N. Boston	1126	1,707	3,008	4,715
	S. Boston	1128	2,301	5,290	7,591
	New Bedford	1130	1,687	4,176	5,863
	Hartford	1131	3,643	7,199	10,842
	Total		11,255	21,941	33,196
New York (1200)	Jersey City	1221	2,386	3,903	6,289
	Yonkers	1222	2,325	5,171	7,496
	Nassau	1223	3,026	4,352	7,378
	Manhattan	1224	836	2,441	3,277
	Brooklyn	1225	2,256	7,296	9,552
	North Jersey	1226	3,285	6,006	9,291
	Queens	1229	2,869	7,085	9,954
	Total		16,983	36,254	53,237
Philadelphia (1300)	Baltimore	1322	6,554	7,796	14,350
	Philadelphia	1326	5,967	7,451	13,418
	Cen. Jersey	1330	4,711	6,928	11,639
	No. Philadel.	1332	8,483	11,188	19,671
	So. Jersey	1334	7,709	10,799	18,508
	Total		33,424	44,162	77,586
Buffalo (1600)	Syracuse	1622	8,579	11,023	19,602
	Albany	1623	3,587	5,755	9,342
	Buffalo	1626	8,306	11,955	20,261
	Nashua	1638	1,756	2,334	4,090
	Total		22,228	31,067	53,295
Pittsburgh (1700)	Canton	1729	9,071	8,137	17,208
	No. Pittsburgh	1730	9,443	11,084	20,527
	So. Pittsburgh	1732	8,776	10,798	19,574
	Cleveland	1733	8,783	8,482	17,265
	Harrisburg	1738	11,940	13,192	25,132
	Total		48,013	51,693	99,706
Cincinnati (1800)	Columbus	1824	9,226	8,639	17,865
	Cincinnati	1828	6,943	5,974	12,917
	Lexington	1834	3,241	2,787	6,028
	Louisville	1837	5,778	6,447	12,225
	Indianapolis	1838	7,532	7,415	14,947
	Total		32,720	31,262	63,982

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NESA - SALEM